

COUNTY OF LOS ANGELES

MARVIN J. SOUTHARD, D.S.W.
Director

SHEILA A. SHIMA
Chief Deputy Director

RODERICK SHANER, M.D.
Medical Director



BOARD OF SUPERVISORS

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DEPARTMENT OF MENTAL HEALTH

<http://dmh.lacounty.gov>

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: (213) 738-4601
Fax: (213) 386-1297

March 22, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**HEARING ON DEPARTMENT OF MENTAL HEALTH'S (DMH)
PUBLISHED CHARGES FOR FISCAL YEAR 2007-08
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD AFTER THE PUBLIC HEARING:

1. Approve DMH's proposed Published Charges (Attachment I) for FY 2007-08, effective July 1, 2007, in order to comply with federal Short-Doyle/Medi-Cal (SD/MC) Lower of Cost or Charges (LCC) reimbursement and routine cost requirements.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Board action is required to ensure that Published Charges are established to assure compliance with Medi-Cal requirements. The recovery of federal revenues in compliance with State and federal regulations necessitates that Published Charges be established at least annually. Federal requirements stipulate that Published Charges are to be determined at the Countywide level. The recommended Published Charges comply with SD/MC audit requirements.

Implementation of Strategic Plan Goals

The recommended Board action is consistent with the principles of the Countywide Strategic Plan's Organizational Goal No. 4, "Fiscal Responsibility." This action will ensure that Published Charges are in compliance with Medi-Cal requirements, thereby averting Federal LCC audit disallowances.

"To Enrich Lives Through Effective And Caring Service"

FISCAL IMPACT/FINANCING

There is no fiscal impact.

Federal LCC audit disallowances will be avoided because of compliance with Medi-Cal regulations. DMH has not included any charges, which are set by either State or federal agencies, for which it has no jurisdictional rate settings authority. DMH will bill those charges as directed by those authorities.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Published Charges for FY 2007-08 were developed using actual cost report data for FY 2005-06. The cost report data was adjusted by the Federal Home Health Agency Market Basket Index.

In FY 2003-04, your Board approved DMH's revised Published Charges on October 28, 2003, permitting DMH to reflect two (2) sets of rates, a rate for Medi-Cal and a rate for non-Medi-Cal responsible financial parties. The non-Medi-Cal rates include administrative overhead costs for all services that are billed to non-Medi-Cal responsible financial parties. The methodology to calculate the Published Charges to bill Medi-Cal plans remains the same as originally approved by your Board on June 24, 2003. The rates for Medi-Cal plans do not include administrative overhead costs. Medi-Cal administrative costs are reimbursed through a separate and specific mandated State reimbursement methodology.

Government Code Section 66018, added by Chapter 1572 (AB 3228) of the statutes of 1990, §20, requires the publication of notice and a public hearing to be held prior to the adoption of new fees or the increase of existing fees. Such a notice will be published at a minimum of ten (10) days prior to the public hearing.

CONTRACTING PROCESS

The subject does not apply since DMH's Published Charges apply only to DMH's directly operated clinics.

IMPACT ON CURRENT SERVICES

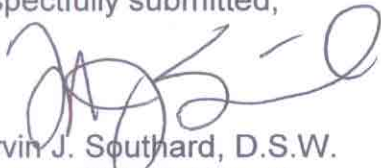
The recommended revised Published Charges for FY 2007-08 will become effective July 1, 2007. Failure to establish new annual Published Charges could result in reduced revenues from non-Medi-Cal, Medi-Cal, and Healthy Families plans due to the use of charges that do not sufficiently reflect actual costs.

The Honorable Board of Supervisors
March 22, 2007
Page 3

CONCLUSION

The Department of Mental Health will need one (1) copy of the adopted Board action. It is requested that the Executive Officer of the Board notifies the Department of Mental Health's Contracts Development and Administration Division at (213) 738-4684 when this document is available.

Respectfully submitted,

A handwritten signature in dark ink, appearing to be 'M. Southard', written over the printed name.

Marvin J. Southard, D.S.W.
Director of Mental Health

MJS:SAS:JDC:nh

Attachment

c: Chief Administrative Officer
Executive Officer, Board of Supervisors
County Counsel
Auditor-Controller
Chairperson, Mental Health Commission

**COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH
FISCAL YEAR 2007-08 PUBLISHED CHARGES
EFFECTIVE JULY 1, 2007**

| <u>SERVICE DESCRIPTION</u> | <u>MODE</u> | <u>SF CODE</u> | <u>SERVICE UNIT</u> | <u>NON-MEDI-CAL 07/08 RATES</u> | <u>MEDI-CAL 07/08 RATES</u> |
|--------------------------------------|-------------|----------------|---------------------|-------------------------------------|---------------------------------|
| Jail Inpatient | 05 | 50 - 59 | Client Day | \$355.46 | N/A |
| Day Treatment Intensive: | | | | | |
| Half Day (3-4 Hours) | 10 | 81 - 84 | Half Day | \$196.51 | \$175.25 |
| Full Day (more than 4 hours) | 10 | 85 - 89 | Full Day | \$254.98 | \$227.40 |
| Day Rehabilitation: | | | | | |
| Half Day (3-4 Hours) | 10 | 91 - 94 | Half Day | \$101.49 | \$90.51 |
| Full Day (more than 4 hours) | 10 | 95 - 99 | Full Day | \$158.42 | \$141.28 |
| Targeted Case Management Services | 15 | 01 - 09 | Minute | \$2.43 | \$2.17 |
| Mental Health Services | 15 | 10 - 59 | Minute | \$3.12 | \$2.78 |
| Medication Support Services | 15 | 60 - 69 | Minute | \$6.09 | \$5.43 |
| Crisis Intervention | 15 | 70 - 79 | Minute | \$4.90 | \$4.37 |
| Mental Health Promotion | 45 | 10 - 19 | Staff Hour | \$256.73 | N/A |
| Community Client Services | 45 | 20 - 29 | Staff Hour | \$236.96 | N/A |
| Medi-Cal Admin. Activities (MAA) | 55 | 01 - 39 | Minute | N/A | \$2.18 |
| Conservatorship, Investigation | 60 | 20 - 29 | Staff Hour | \$167.67 | N/A |
| Administration | 60 | 30 - 39 | Staff Hour | \$167.67 | N/A |
| Life Support/Board & Care | 60 | 40 - 49 | Day | \$43.34 | N/A |
| Case Management Support | 60 | 60 - 69 | Staff Hour | \$128.24 | N/A |

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March 22, 2007

LEGAL NOTICE OF HEARING

TO: Sachi A. Hamai
Executive Officer, Board of Supervisors

FROM: Marvin J. Southard, D.S.W.
Director of Mental Health 

SUBJECT: **PUBLIC NOTICE OF HEARING ON PROPOSED BILLING RATES FOR FISCAL YEAR 2007-08**

Publishing

This matter has been set for public hearing at the regular Board meeting on _____, 2007. Pursuant to Government Code Section 6062a, a notice of this hearing must be published twice in a newspaper, which is published once a week or more often. The first publication must be no later than _____, 2007, and the second at least six (6) days thereafter.

Please publish the attached public notice, which has been reviewed and approved by Edward Yen, Deputy County Counsel, and retain the listings of recommended billing rates for your files.

If you have any questions or require additional information, please contact me, or your staff may contact Jeremy D. Cortez, Acting Administrative Deputy, at (213) 738-4625.

MJS:SAS:JDC:nh

Attachment

H:\Board Letters 05\Published Charges\Legal Notice of Hearing_II.doc

NOTICE OF HEARING ON PUBLISHED CHARGES FOR
PATIENT CARE SERVICES

Notice is hereby given that a public hearing will be held by the Board of Supervisors, establishing proposed rates for Fiscal Year (FY) 2007-08. It is proposed that such rates for FY 2007-08 be effective July 1, 2007.

Said hearing will be held on _____, 2007, at 9:30 a.m., in the Hearing Room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street (the corner of Temple Street and Grand Avenue), Los Angeles, California 90012.

The Board of Supervisors will consider and may adopt the Published Charges. Further, notice is given that the Board of Supervisors may continue this hearing from time to time.

Any person wishing to be heard on this matter may appear and make a presentation before the Board of Supervisors, at such time, regarding the proposed Published Charges. Written comments may be sent to the Executive Office of the Board of Supervisors at the above address.

The proposed Published Charges will be on file and available for review at the Clerk of the Board, Room 383, Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012, or at the Department of Mental Health, Accounting Division, 8th Floor, 550 South Vermont Avenue, Los Angeles, California 90020, from 8:00 a.m. to 5:00 p.m.

For further information regarding this matter, please telephone the County of Los Angeles, Department of Mental Health, Financial Services Bureau at (213) 738-4625.

Si no entiende esta noticia o si necesita mas informacion favor de llamar a este numero (213) 738-4625.

SACHI A. HAMAI
EXECUTIVE OFFICER
Board of Supervisors